

**DIVISION OF CHILDREN AND FAMILY SERVICES
ADMINISTRATIVE MEMO #20-2012**

To: All Children and Family Services Staff

From: Thomas D. Pristow, Director
Division of Children and Family Services
Department of Health and Human Services

Date: August 13, 2012

RE: Credit Reports for youth age 16 and older.

Effective Date: Upon Receipt

Contact: Chris Hanus at (402) 471-9308 or at chris.hanus@nebraska.gov.



This memo is to clarify requirements under the federal Child and Family Services Improvement and Innovation Act regarding credit reports for youth age 16 and older in foster care.

Generally, minor children do not have the legal capacity to sign a contract or apply for credit on their own. Most children do not have credit reports. Therefore, if a credit report does exist for a minor, whether in foster care or not, it may be due to error, fraud or identity theft.

As minor children transition into adulthood, it is important for them to have a clean credit report for numerous reasons. If they apply for an apartment, student loans, or a car loan, they will need to have a good credit report. Unfortunately, children in out of home care are at a higher risk of being a victim of identity theft. Confidential information such as Social Security Numbers, Dates of Birth, and other private information can be easily accessed by multiple agencies and staff within those agencies. Minor children in out-of-home care are also at risk of having their identity stolen by friends, family members, and other adults in their lives.

It is for this reason that there is now a federal law that requires States to obtain credit reports on youth in foster care.

On September 30, 2011, the Federal Child and Family Services Improvement and Innovation Act (Public Law 112-34) was signed into law and includes a requirement that every foster youth age 16 or older receive a free copy of any consumer credit report each year until discharged from foster care. A copy of the credit report, if one exists, must be obtained from each of the three main Credit Reporting Agencies: TransUnion, Equifax, and Experian. The youth must also receive assistance in interpreting the report and resolving any inconsistencies that are found.

Actions Required:

1. Assist youth age 16 or older who are in foster care to obtain a consumer credit report when the independent living plan is developed or reviewed after the effective date of this memo. Staff will discuss why a credit report is necessary, how to dispute and what to look for when reviewing a credit report. Additional

information on ways to dispute credit report errors can be found at the Federal Trade Commission website at the following link:
<http://www.ftc.gov/bcp/edu/microsites/freereports/index.shtml>

Experian Reports: Staff will send a copy of the court order that shows that the youth is in the care and custody of DHHS, along with a cover sheet that includes the youth's full name, current address, social security number, date of birth, and address within the past two years. Sensitive information can be redacted from the court order as long as the identification of the youth remains intact. The address for Experian is:

National Consumer Assistance Center
PO Box 9701
Allen, Texas 75013

Upon receipt, Experian will process the request and send the report back to staff through regular mail. The report will show that there is "no record" or have information. For security purposes, the envelope will not indicate Experian. Staff must include the address to which the "no record" or credit report should be sent.

Transunion Reports: Central Office will perform a batch process once a month for all youth age 16 and older, who are in care. The reports will be sent to the youth's assigned worker for review.

Equifax Reports: States are awaiting the specific process to follow in requesting reports from Equifax. As soon as the information becomes available, it will be shared with staff and included in an updated Administrative Memorandum.

Upon receipt of all credit reports, staff will review the reports with the youth and provide copies to the youth. A copy of each of the reports will also be placed in the youth's file. Staff must document that the youth received copies on NFOCUS in the Independent Living Plan, Budget and Financial Management Section.

2. Subsequent requests for credit reports must be made on an annual basis until the youth is discharged from care.
3. For cases in which inaccuracies are found, staff will assist youth in resolving such inaccuracies as warranted on a case-by-case basis. Staff will assist youth in completing the Nebraska Attorney General's Office Consumer Complaint Form against the three major credit reporting agencies. Three separate reports need to be filed on separate forms for the process to work correctly. The form can be found on the Attorney General's website at http://www.ago.ne.gov/resource/forms/consumer_complaint.

Once the forms have been completed, staff will send the forms via regular mail or email to Morgan M. Rogers, Mediation Center Supervisor, Consumer Protection Division, Nebraska Attorney General's Office, 2115 State Capitol Building, Lincoln, Nebraska 68509.

Once received, the Consumer Protection Division Mediation Center will send the forms to the reporting agencies. The reporting agencies will communicate directly with staff or the youth, as privacy legislation dictates. The credit reporting bureaus will then notify the Attorney General's Office that they have communicated with

staff or the youth, and staff or the youth will have 30 days to accept the response or write a rebuttal. In most situations, this will clear up any record that is incorrectly reported and will give staff or the youth the opportunity to file a fraud alert on the report or to red flag it for fraud in the future.

Staff must place copies of the completed forms in the youth's file and document the assistance provided to the youth on NFOCUS in the Independent Living Plan, Budget and Financial Management Section.